



AGENDA

Council Workshop User Fees and Charges Review 2026/27

Thursday, 30 October 2025

I hereby give notice that a Council Workshop will be held on:

Date: Thursday, 30 October 2025

Time: 10:00 AM User Fees & Charges

**Location: Tauranga City Council Chambers
L1 90 Devonport Road
Tauranga**

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

**Marty Grenfell
Chief Executive**

Order of Business

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1.1 User Fees and Charges Review 2026/27 4

1 BUSINESS

1.1 User Fees and Charges Review 2026/27

File Number: A19206816

Author: Holly Riddell, Corporate Planner

Authoriser: Christine Jones, General Manager: Strategy, Partnerships & Growth

Presenters: Radleigh Cairns, Manager: Drainage Services
Wally Potts, Head of City Waters
Steve Pearce, Head of Building Services

Workshop information

Purpose of workshop

1. The purpose of this workshop is to provide Council with information related to the user fees and charges for Trade Waste and Building Services to inform any proposed changes to the Fees and Charges Schedule for the 2026/27 financial year.

Attachments

1. Council Workshop - 30 October (Trade Waste and Building Services) - A19206803  

Fees and Charges Review 2026/27



- Trade Waste
- Building Services

30 October 2025

Trade Waste

Radleigh Cairns
Manager: Drainage Services



Trade Waste - Background

- Trade waste refers to liquid waste from commercial or industrial premises discharged into the public wastewater system (excludes domestic sewage from households).
- Examples include wastewater from food processing, manufacturing, laundries, and septic tank waste.
- Trade waste can damage infrastructure, harm treatment plant processes, and pose environmental or health risks.
- Councils regulate trade waste through a Trade Waste Bylaw.
- Businesses must apply for a trade waste permit (or consent) that sets discharge conditions (e.g., volume limits, pollutant thresholds, and pre-treatment requirements).



Trade Waste - Background

Trade Waste

2025/26	
Flow	\$2.26
Suspended Solids	\$2.88
Chemical Oxygen Demand	\$1.10
Trade Waste Applications (New consent with conditions - 3 yr term)	\$1,086.45
Trade Waste Applications (New consent with conditions - 1 yr term)	\$370.80
Trade Waste Applications (Renewal of consent with conditions - 3 yr term)	\$823.60
Trade Waste Applications (Renewal of consent with conditions - 1 yr term)	\$283.25
Trade Waste Applications Permitted Activity (New - 3 yr term)	\$1,091.12
Trade Waste Applications Permitted Activity (New - 1 yr term)	\$370.80
Trade Waste Applications Permitted Activity (Renewal of permitted consent - 3 yr term)	\$587.62
Trade Waste Applications Permitted Activity (Renewal of permitted consent - 1 yr term)	\$206.00
Trade Waste Monitoring/Inspection Fee - (Non Compliance)	\$164.72

2025/26	
Trade Waste Officer	\$216.30
Trade Waste Administrator	\$144.20

2025/26	
Laboratory Testing Fees (see Laboratory fees and charges)	At Cost

Council charges fees to recover costs of:

- Processing applications and renewals.
- Conducting inspections, sampling, and compliance monitoring.
- Treating higher-strength or higher-volume discharges.
- The system ensures businesses use the wastewater network responsibly, pay a fair share of associated costs, and promotes cleaner production as well as better environmental outcomes.



Trade Waste - Background

TRADE WASTE BYLAW 2019



First adopted	22 November 2004	Minute reference	M04/105.3
Revisions/amendments	31 July 2008	Minute reference	M08/76.5
	7 May 2019	Minute reference	M19/25.8
Review date	7 May 2029		
Engagement required	Special Consultative Procedure		
Associated documents	Supply of Water Bylaw		
Relevant legislation	This Bylaw was made under the Local Government Act 2002		

1. TITLE

1.1 This Bylaw is the Trade Waste Bylaw 2019.

2. COMMENCEMENT

2.1 This Bylaw comes into force on 18 June 2019.

3. APPLICATION

3.1 This Bylaw applies to Tauranga City.

3.2 This Bylaw applies to all premises within Tauranga City where Trade Wastes are discharged to the Wastewater System.

3.3 This Bylaw also applies to temporary discharges and tankered waste collected for the purpose of discharge to the Wastewater System.

DISCHARGE TO THE WASTEWATER SYSTEM

4. PURPOSE

4.1 The purpose of this Bylaw is to:

- protect the health and safety of people associated with the Wastewater System;
- protect public health and the environment from the effects of Trade Waste discharges;
- protect the Wastewater System from damage, misuse and interference;

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Objective Number: A10224467

- We are currently reviewing our Trade Waste Bylaw.
- Trade Waste authority has recently changed from the Local Government Act 2002 to Local Government (Water Services) Act 2025.
- Bylaw making authority remains with Council under the new legislation.
- Bylaw review to address issues with:
 - the allocation of costs for processing trade waste through the wastewater system;
 - industry best practice for managing trade waste discharges; and
 - Compliance with the new Local Government (Water Services) Act 2025.



Bylaw Changes related to User Fees and Charges Review

CURRENT BYLAW	DRAFT BYLAW
Council Consents Issued	Trade Waste Permits
Three Categories of Trade Waste 1. Permitted (no consent required) 2. Conditional (consent required) 3. Prohibited (never consent)	Four Categories of Trade Waste Discharges 1. Allowed (no permit required) 2. Controlled (permit required) 3. Conditional (permit required) 4. Prohibited (no permit allowed)

- Draft Bylaw to Council meeting in December 2025
- Public consultation on the draft Bylaw will be in early 2026
- Anticipated adoption of the Bylaw in April/May 2026

These changes to the bylaw enable changes to fees and charges.



Trade Waste – New permit categories

1. Allowed (no permit required)

Includes: Discharges that fall below the conditional discharge characteristics and do not require some form of pre-treatment prior to discharges to the network.

2. Controlled (permit required)

Includes: Businesses with pre-treatment such as grease traps and wastewater interceptors. For example: Restaurants and those with wash bays.

3. Conditional (permit required)

Includes: Discharges with high flow or high loading above the permitted discharge characteristics that put additional pressure on the network and treatment plant processes.

4. Prohibited (no permit allowed)

Includes: Any discharge that may cause harm to the wastewater system, staff, be toxic to fish, animals or plant life after treatment, or cause breaches of Council's resource consents.



Trade Waste – Proposed changes to user fees and charges

Current Fee Descriptions	Current Fees 2025/26	Proposed fees 2026/27	% change
Flow	\$2.26	\$2.41	6.6%
Suspended solids	\$2.88	\$3.07	6.6%
Chemical oxygen demand	\$1.10	\$1.17	6.6%
Trade waste applications (new consent with conditions conditional permit - three-year term)	\$1,086.45	\$1,782.40	64.1%
Trade waste applications (new consent with conditions conditional permit - one year term)	\$370.80	\$1,336.80	360.5%
Trade waste applications (renewal of consent with conditions conditional permit - three-year term)	\$823.60	\$891.20	8.2%
Trade waste applications (renewal of consent with conditions - one year term)	\$283.25	N/A	
Trade waste applications permitted activity (new - three-year term)	\$1,091.12	N/A	
Trade waste applications permitted activity controlled permit (new - one year term)	\$370.80	\$334.20	-9.9%
Trade waste applications permitted activity (renewal of permitted consent - three-year term)	\$587.62	N/A	
Trade waste applications permitted activity controlled permit (renewal of permitted consent - one year term)	\$206.00	\$222.80	8.2%
Trade waste monitoring/inspection fee (non-compliance)	\$164.72	N/A	
Trade waste officer	\$216.30	\$222.80	3%
Trade waste administrator	\$144.20	\$148.55	3%
Laboratory Fees	At cost	At cost	



Trade Waste – Revenue

- Current revenue mainly through unit rates on Flow, Suspended Solids and Chemical Oxygen Demand based on monitoring.
- Increase in the unit charges reflects % commercial increase in wastewater charges laid out in Water Services Delivery Plan.
- Application and Renewal of permit costs make up a small percentage of revenue however they are not currently an accurate reflection of actual costs.
- Conditional activity applications are complex and time consuming. One year permit enables flexibility for businesses that need time to work towards requirements of three-year permit.
- Controlled permit enables capture of those businesses that have pre-treatment but don't currently trigger a conditional consent. These businesses require assessment and monitoring that maintenance is occurring but do not get charged flow or loading charges.
- Any site visits, monitoring or compliance visits required over and above that included in new application or renewal fee would be charged using staff hourly rate.



Trade Waste – expected change in revenue

- 600 businesses already identified as being captured by new controlled activity with an estimated 1200 in total within Tauranga.
- Potential also to increase number of conditional activity permits from current 45.
- Draft bylaw will also include ability to charge for Nitrogen - Te Maunga has increased energy costs for Nitrogen removal.
- A Nitrogen unit rate will instigate a wider review of unit rate charges for FY2028 and onwards.

Revenue	2024 Actuals	2025 Actuals	2026 Forecast	2027 Proposed
30100- Revenue -Trade Waste Fees	1,556,782	1,353,539	1,502,428	1,814,743
33620- Revenue - Recoveries	4,338	35,378		
Total Revenue	1,561,120	1,388,917	1,502,428	1,814,743
Employee costs	245,351	257,839	191,368	263,240
Other administration costs	64,942	18,078	22,854	26,864
Net surplus	1,250,828	1,113,000	1,288,206	1,524,639



Trade Waste – Consultation

- The new fee structure is more equitable providing a user pays approach.
- It will have a financial impact on smaller businesses who currently do not pay anything towards the costs of assessing and monitoring their treatment devices.
- Extra revenue expected from controlled activity permits in 2027 is \$130,000 rising to \$210,000 in 2028 and \$300,000 in 2029.
- To enable charging of proposed controlled activities, the draft bylaw will need to be finalised and adopted.
- It is proposed that the bylaw and fees and user charges be consulted on at the same time to enable new fee structure from FY 2027.



Building Services

Steve Pearce
Head of Building Services



Building Services - Background

Why we provide the service

- To ensure building work complies with the Building Act 2004 and meets safety, durability, and performance standards.
- Supports safe, sustainable development and protects community wellbeing.

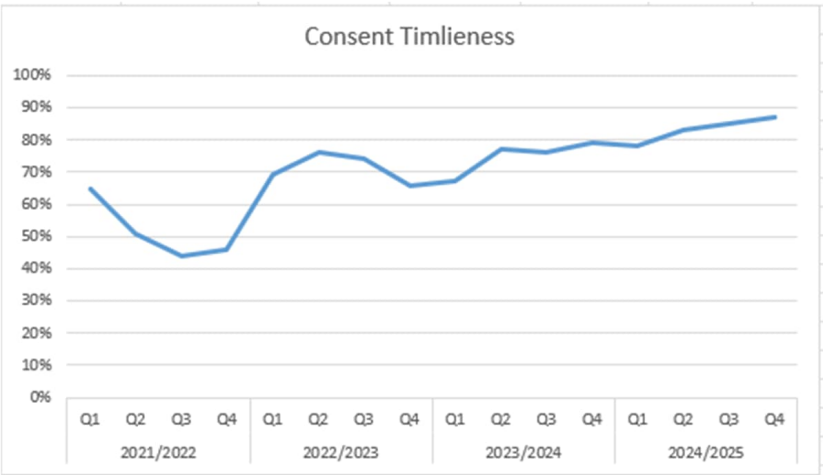
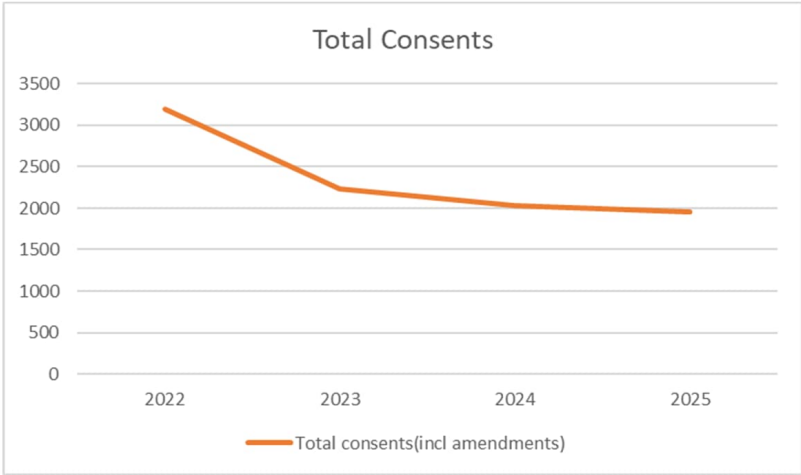
Legislation and upcoming changes

- Governed by the Building Act 2004.
- No immediate legislative changes expected to materially affect fee setting and budgets, though national reform of building consenting is being progressed and may lead to a possible reduction in consent volumes over time.



Building Services - Background

- Consent volumes reducing
- Timeliness increasing
- Accreditation improving



Building Services - Finances

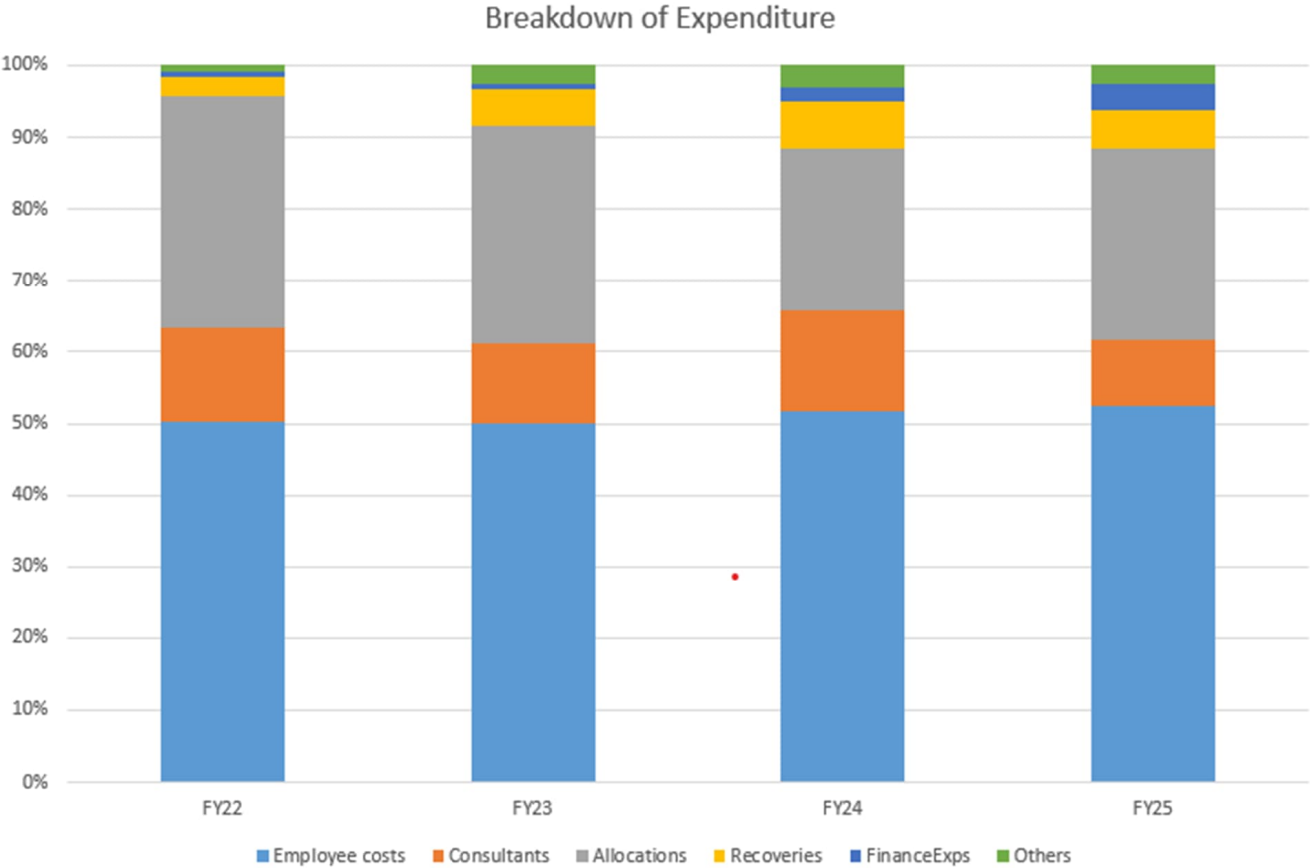
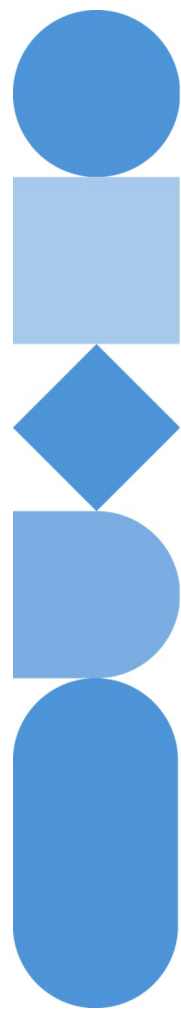
Revenue

- User fees charged through building consents is the vast majority (~87%) and is directly controlled by the volume of consent applications received.
- A small portion (~5%) is user fees charged through other chargeable building functions such as pool inspections and BWOFF system.
- Full rate funding for other non-chargeable building functions such as complaint investigations (~8%).

Expenditure

- Approximately two thirds of expenditure is staff (and contractor where staff are above capacity).
- Corporate overheads and operational costs are remaining third.





Building Services – Background to Fees

Previous changes to fees

- Fees were reviewed in 2022 and compared with other Metros and local TA's. Many of our fees were reduced at that point (effective July 2023) as we were significantly higher than other councils.
- Subsequent analysis as part of the LTP showed a shortfall between budgeted revenue and actual delivery costs.
- In 2024, Council approved annual increases of CPI + 5% (as part of the LTP) for three years to close the funding gap and return to full cost recovery.

Revenue and Financing Policy sets a funding band of 70–100% user charges

- Currently user fees makes up ~92% of total revenue.
- Our compliance function is rate funded (less any revenue).



Building Services – Budget vs Actual

LTP Budget (25-34)

- Revenue budgeted to increase significantly driven by 5% per year increase in fee value and 15% per year increase in volumes.
- Expenditure budgeted to be reasonably static.
- Surplus/deficit budgeted to go from deficit to surplus in 2027.

Actuals

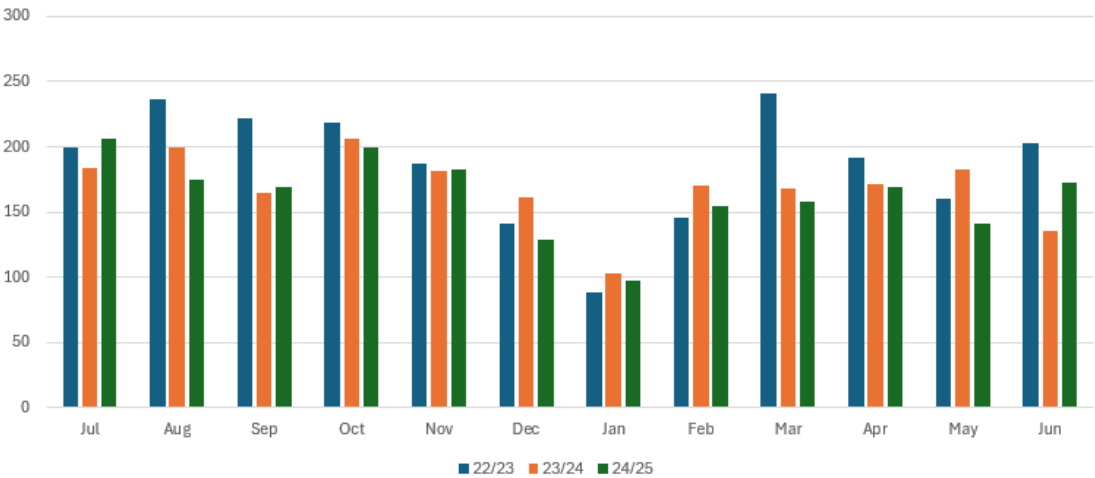
- Revenue is static below budget and is not expected to achieve budget in future years (based on relatively modest volumes). Fees have been increased, but expected volumes have not been achieved.
- Expenditure is static - salary increasing, contractors decreasing, business overheads increasing
- The growing deficit is currently debt funded and incurs interest which compounds problem.
- The forecast deficit for FY27 is \$3.57mil (if we do nothing)



Tauranga City Council: Funding Impact Statement for Building Services

	2021/2022	2022/2023	2023/2024	2024/2025	Change since 2022	2025/26
	Actual	Actual	Actual	Actual		Annual Plan
	\$000's	\$000's	\$000's	\$000's		
SOURCES OF OPERATING FUNDING						
General Rates, Uniform Annual General Charges	804	889	772	631		1,255
Targeted Rates	0	0	0	282		
Subsidies and Grants for Operating Purposes	0	0	0	0		
<i>Fees and Charges</i>	13,997	12,588	11,952	11,005	-21%	14,808
30010 - Revenue - building consent WOF	1,061	1,167	1,392	1,438		1,315
30012 - Revenue - BCA levy	1,155	1,150	875	827		827
32990 - Revenue - Building Processing Fees	5,008	4,268	3,767	4,104		6,582
32992 - Revenue - commission	68	80	56	45		
33615 - Revenue - Act management service			0			
30070 - Revenue - inspections	6,344	5,526	5,467	4,133		5,584
30015 - Revenue - licenses and permits	68	116	129	9		
32995 - Revenue - road zone charges			2			
33620 - Revenue - operating expense recovery	293	281	263	449		500
Internal Charges and Overheads Recovered	2	(15)	(35)	1		30
Local Authorities Fuel Tax, Fines, Infringmnt	0	0	0	0		
Total Sources of Operating Funding (A)	14,803	13,462	12,689	11,919	-19%	16,093
APPLICATIONS OF OPERATING FUNDING						
Payments to Staff & Suppliers	10,030	11,178	12,083	11,368	13%	11,458
Finance Costs	110	140	298	613		659
Internal Charges and Overheads Applied	4,718	4,957	3,607	4,375		4,138
Other Operating Funding Applications	(323)	(1)	11	8		
Total Applications of Operating Funding (B)	14,535	16,274	15,999	16,364	13%	16,255
(Deficits)/ Surplus	268	(2,812)	(3,310)	(4,445)		(162)

Actual volumes received vs. LTP forecast (approximates)



Year	Consents	Amendments	Total	LTP forecast
22/23	1505	730	2235	2235
23/24	1310	719	2029	2570
24/25	1403	550	1953	2955



In comparison with other Councils

Our...

- Hourly rates are generally higher than others
- Overall consent costs are high
- Our rate funding is low

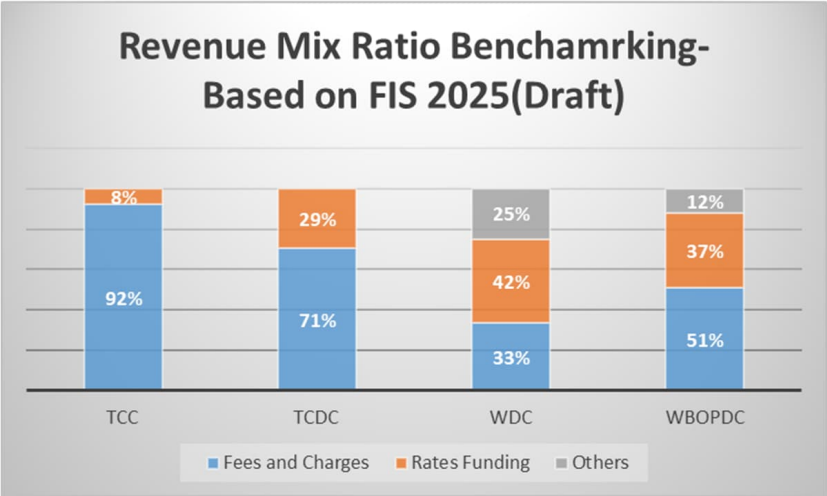
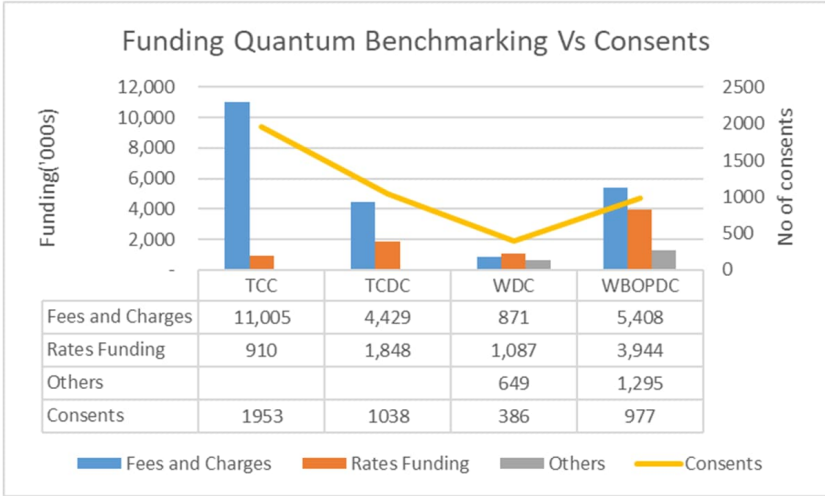
	Tauranga	WBOP	Whakatane	Taupo	South Waikato	Rotorua	TCDC	Auckland	Hamilton	Wellington	Selwyn
Standard hourly rate (25/26)	\$248	\$232	\$210	\$245	\$205	\$243	200	\$195	\$227	\$277	\$220
Fee estimate for basic house consent	\$10k	\$6k	\$8.5k	\$6k-7.5k	\$7k	\$6.5k	\$10k	\$7.6k	\$7k	\$8.5k	\$5.3k
Volume of applications*	3503	629	945	1799	556	1777	1967	33690	3009	5988	4624
Rate funding %	8%	25%	30%	40%	31%	30%	29%	0%**	0%	45%	25%

*applications includes Building Consents, Amendments and CCCs (taken from [MBIE's published data](#) July 2024 - June 2025)

** does not include compliance function

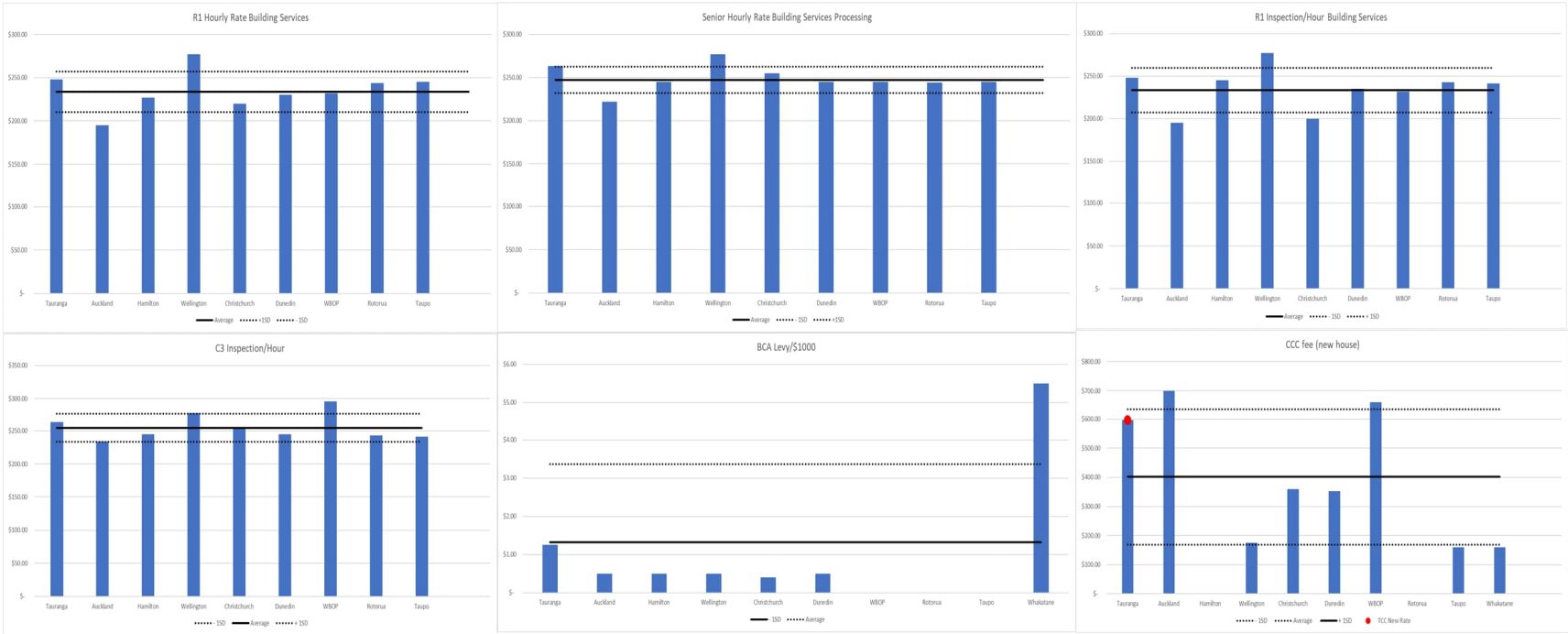


Benchmarking



Benchmarking cont...

Major Unit Rates Benchmarking for FY 26(Building Services)



Options to address the deficit – 3.57mil

Increase revenue

1. Continue to drive increased cost recovery / productivity (+5% = \$1mil).
2. Increase user fees to cover full costs (approx 25-30%*) - *not recommended*
3. Increase user fees at 10%* per year
4. Increase user fees at 5%* per year
5. Ensure rate funding is applied as per the Revenue and Finance policy * plus CPI

Reduce expenditure

6. Decrease timeliness – *not recommended*
7. Continue to reduce contractor expenditure
8. Reduced employee costs through increase outsourcing – *not recommended*



Options to address the deficit - Modelling

Forecast Deficit for FY27 is \$3.57mil (if we do nothing)

Option	Modelled impact	Operational Confidence	Overall impact on Budget	User Impact	Recommendation
1. Increased cost recovery / productivity	+ \$600k	High	Moderate	Low	Underway
2. Increase fees significantly	+ \$3.57mil	High	High	High	Do not pursue
3. Increase fees 10%	+ \$1.85mil	High	Moderate	Moderate	Recommended
4. Increase fees 5%	+ 1.2mil	High	Moderate	Low	Consider
5. Rate funding as per R&F policy	+ \$500k	Moderate	Low	Low	Underway
6. Decrease timeliness	- \$1mil	Low	Moderate	Moderate	Do not pursue
7. Reduce contractor spend	- \$450k	Moderate	Low	Low	Recommended
8. Reduce employee costs	- \$500k	Low	Low	High	Do not pursue



Modelling of Recommended Approach

Option: Multi pronged approach, Increase unit Rate(10%), Increase Productivity (5%), Reduce Costs(5%), Reallocate Costs(leading to increased rates)- with 5% volume increase

	('000s)	Total fees
FY 25 Deficit	-\$4,445	\$11,005
Impact of FY 26 Unit rate increase(8%)	\$880	\$11,885
Net FY 26 Deficits	-\$3,565	
Impact of Increased charge out(5%)	\$594	
Impact of reducing costs	\$450	
Impact of FY 27 Volume increase(5%)	\$639	\$14,367
Impact of FY 27 Unit Rate increase(10%)	\$1,248	
Reallocate costs leading to rates inc	\$500	
Net Deficit FY 27	-\$133	
Unit rate increase required	10%	



Other changes

1. Online service fee

- o The software subscription cost is rising from 1 July 2026.
- o This is currently passed on to customers in full.

2. Optional deposit required

- o We currently do not have the ability to require a deposit in our Fees and Charges.
- o We have circumstances where recidivist non-payers submit a new application, and we must accept / grant the application.
- o The preferred approach would give us the ability to require a deposit in circumstances where we deem it appropriate.
- o The alternatives are to remain as per current process (i.e., no deposits) or to charge a deposit on all applications.





